



MACo ALERT

May 4, 2007

COUNTY COMPENSATION BOARDS ... WHAT YOU NEED TO KNOW

The 60th Montana Legislature has passed two bills that change the way certain elected officials salaries are to be considered as county compensation boards prepare their compensation schedules. The purpose of this Alert is to inform you of those changes, as well as provide you with a reminder of the statutory requirements of county compensation boards.

COUNTY TREASURERS' SALARIES:

HB 372 added new section 7-4-2503 (2)(e): The county treasurer may receive, in addition to the base salary provided in subsection (1)(a), up to \$2,000 a year. The additional salary provided for in this subsection (2)(e) may not be included as salary for the purposes of computing the compensation of any other county officers or employees.

COUNTY ATTORNEYS' SALARIES:

Prior to this legislative session, county attorney salaries were split between the county and the state, with the state providing checks to the county attorneys and the funding being subject to legislative approval of the budget request of the Department of Justice.

HB 12 significantly modified the funding formula for the state's payment to counties for the services they provide for felony prosecution and abuse and neglect cases. It is now recognized that these services are a "shared responsibility of the state and the county" rather than a 50-50 split.

Effective July 1, 2007, counties will receive a statutory appropriation; which will be paid by the Department of Justice on a quarterly basis. A statutory appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment. In order for the funding to be amended to a statutory appropriation, the basis for the amounts needed to be clearly defined, as statutory appropriations must be calculable. The following factors were used to determine the appropriation amount:

- 50% of 85% of a District Court Judge's (DCJ) salary most recently set under 3-5-211, MCA. This amount is prorated for part-time county attorney positions:
 - "Full-time county attorney" means that as of July 1 immediately preceding the regular legislative session, the county attorney position has been established as a full-time position pursuant to 7-4-2706.
 - "Part-time county attorney" means that as of July 1 immediately preceding the regular legislative session, the county attorney position has been established as a part-time position pursuant to 7-4-2706.
 - "Salary" means wage plus the employer contributions required for retirement, workers' compensation insurance, and the Federal Insurance Contributions Act as determined for a district court judge.

- An amount equal to 50% of the employer contribution for group benefits under 2-18-703(2) for an employee as defined in 2-18-701 (the amount the state contributes to a single employee's group benefit plan).

Please refer to the chart below to identify the amount of your appropriation:

Hours	State's Share	FY 2008 85% of DCJ Salary \$99,234	FY2008 FICA 7.65% PERS 6.9% WC 1.43%	FY2008 Health Insurance \$6,442	FY2008 Payment To County	FY 2009 85% of DCJ Salary \$99,234	FY2009 FICA 7.65% PERS 6.9% WC 1.43%	FY2009 Health Insurance \$6,442	FY2009 Payment To County
40	50%	42,174	6,739	3,441	52,335	42,174	6,739	3,468	52,562
30	38%	31,631	5,055	2,581	39,266	31,631	5,061	2,736	39,428
24	30%	25,305	4,044	2,065	31,413	25,305	4,049	2,189	31,542
20	25%	21,087	3,370	1,721	26,177	21,087	3,374	1,824	26,285
8	10%	8,435	1,348	688	10,471	8,435	1,350	730	10,514

Additional provisions of HB 12:

- The County Attorney's salary is now included in the compensation schedule for elected county officials that is prepared by the county compensation board. There is no longer a \$50,000 base as Sections 7-4-2503(3)(a) and (b), MCA were stricken in HB 12.
- The county is responsible for the full payment of county attorney salaries. County Attorneys will no longer receive a paycheck from the state.
- If the uniform base salary set for county officials pursuant to §7-4-2503(1) is increased, then the county attorney is entitled to at least the same increase unless the increase would cause the county attorney's salary to exceed the salary of a district court judge (\$99,234 in FY 2008).

RESOLUTIONS AND REPORTING REQUIREMENTS:

Section 7-4-2706 was amended to read "**County attorney to be full or part time -- resolution (1)**
(a) In a county with a population of less than 30,000, the county commissioners may, with the consent of the county attorney, by resolution effective July 1 of any year establish the office of county attorney as a full-time or part-time position."

(b) A copy of a resolution adopted under subsection (1)(a) must be provided to the department of justice.

(2) In a county with a population of 30,000 or more, the office of county attorney must be a full-time position.

The changes to the statutes under HB 12 are substantial and significant. We would recommend that all counties read the bill thoroughly as to the new funding method, reporting requirements, and the establishment and payment of the county attorneys salary.

COUNTY COMPENSATION BOARDS

All counties are required by statute to appoint a county compensation board, unless they have adopted a city-county consolidated and/or charter form of government.

Under §7-4-2503(4)(a), MCA, the county compensation board must consist of:

- The county commissioners (this includes all commissioners), and
- Three county officials (treasurer, clerk and recorder, clerk of the district court, county assessor, county superintendent of schools, county sheriff, county surveyor, and/or county auditor) appointed by the board of county commissioners, and
- The county attorney, and
- Two to four resident taxpayers appointed initially by the board of county commissioners to staggered terms of 3 years, with the initial appointments of one or two taxpayer members for a 2-year term and one or two taxpayer members for a 3-year term.

The county compensation board shall hold hearings annually for the purpose of reviewing the compensation paid to county officers. The county compensation board may consider the compensation paid to comparable officials in other Montana counties, other states, state government, federal government, and private enterprises.

The county compensation board shall prepare a compensation schedule for the elected county officials, including the county attorney, for the succeeding fiscal year. The schedule must take into consideration county variations, including population, the number of residents living in unincorporated areas, assessed valuation, motor vehicle registrations, building permits, and other factors considered necessary to reflect the variations in the workloads and responsibilities of county officials as well as the tax resources of the county.

A recommended compensation schedule requires a majority vote of the county compensation board, and at least two county commissioners must be included in the majority. A recommended compensation schedule may not reduce the salary of a county officer that was in effect on May 1, 2001.

7-4-2107. Compensation of county commissioners. (1) Subject to subsection (2), each member of the board of county commissioners shall receive an annual salary equal to the annual salary established in 7-4-2503 for the clerk and recorder plus \$2,000.

(2) Each board may elect to serve on a part-time rather than a full-time basis and receive part-time annual salaries based on the annual salary established in 7-4-2503(1)(a) for the clerk and recorder.

(3) This section does not apply to counties that have adopted a charter form of government.

The Montana Association of Counties recommends that county officials carefully review the statutes regarding compensation of officers and employees under Title 7, chapter 1, part 25, to ensure that county compensation boards are created and operated according to the applicable statutory requirements.

If you have any questions, please do not hesitate to contact either:

Harold Blattie, Executive Director
blattie@maco.cog.mt.us

Sheryl Wood, Associate Director
swood@maco.cog.mt.us